

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1972 - SB 1926

March 23, 2022

SUMMARY OF BILL: Requires that petitions to reclassify property under local zoning regulations first be approved by 70 percent of households affected by the proposed reclassification. Establishes a vote-by-mail system for zoning reclassifications.

Prohibits local legislative bodies from approving a petition to reclassify residential property to commercial use if 60 percent of the residents living in the affected area submit a petition disapproving the reclassification, and requires the legislative bodies to develop a uniform process to confirm the accuracy of each petition.

Requires municipal and county legislative bodies to develop and maintain a system for persons to register complaints about zoning matters.

FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, a precise increase in forgone local revenue cannot reasonably be determined.

The extent and timing of any recurring, mandatory increase in local government expenditures cannot reasonably be determined. *

Assumptions:

- The proposed legislation:
 - Prohibits municipal and county legislative bodies from approving a petition to reclassify property unless 70 percent or more of the households located within a half-mile radius of the petitioned property approve the proposed zoning reclassification.
 - Requires the legislative body to provide notice of the petition, in the form of a single postage prepaid, pre-addressed return form, to each household in the affected areas at least 60 days prior to any scheduled meeting to consider a zoning reclassification petition.
 - Requires households to submit their vote to the local legislative body at least 30 days prior to the meeting.
 - Prohibits the local legislative bodies from approving a petition to reclassify residential property to commercial use if 60 percent of the residents living within a half-mile radius of the property that is the subject of the petition submit a petition disapproving the proposed zoning reclassification.

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- Local legislative bodies are required to develop and implement a uniform process to confirm the accuracy of each petition.
- Requires local legislative bodies to develop and maintain a system for persons to register complaints about zoning matters. The system may include, but is not limited to, the submission of complaints:
 - At public meetings;
 - To the entity in writing; or
 - Through an online system developed by the governmental entity, if available.
- To the extent that local legislative bodies are unable to expand commercial areas and reclassify other properties due to an insufficient percentage of households approving a zoning reclassification petition, there will be an increase in forgone local revenue; however, due to unknown factors such as the number of petitions within each county or municipality, the approval or disapproval of each petition by the households, and the rate and valuation of commercial expansion, the extent and timing of any such impact cannot be determined.
- The proposed legislation's notice requirement will result in an increase to local government expenditures; due to unknown factors such as, the number of petitions to reclassify residential property to commercial use within each county or municipality, the number of households in the affected area, and the staff time and resources required to fulfill the additional administrative requirements, a precise recurring, mandatory increase to local government expenditures cannot be reasonably determined.
- It is assumed that local legislative bodies can create and employ a verification system in order to ensure accuracy utilizing existing resources and personnel.
- Requiring local legislative bodies to develop a complaint system is estimated to have a not significant impact to local government; local governments can accept complaints at public meetings or in writing utilizing existing resources, and it is assumed that only local governments with an online system developed will choose to use one.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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